



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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April 6, 2000

Neldon Kunz  
Mine Superintendent  
American Gilsonite Company  
HC 73 Box 28  
Vernal, UT 84078-9284

Re: Review Status of Mine Plan for ML-851 (E/047/045) as an Amendment to Large Mine Operation Notice of Intention, American Gilsonite Company, Bonanza Mine Operations, M/047/010, Uintah County, Utah

Dear Mr. Kunz:

On January 12, 2000, the Division received a copy of your proposed mining plan for lease ML-851 which was submitted to Will Stokes of the School and Institutional Trust Lands Administration (SITLA). On January 18, 2000, we contacted Mr. Stokes regarding this proposal. Mr. Stokes informed us that a significant lease issue remained to be resolved before this proposal could move forward. The issue was the location of a shaft on an adjacent lease held by Ziegler Chemical and Mineral. The Division did not continue to review this proposal any further pending notification from SITLA. As of March 21, 2000, we were informed by SITLA that this issue had not been resolved.

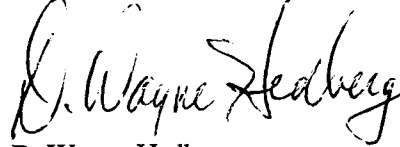
Recent cursory review of this proposal has revealed an oversight on our part. We incorrectly categorized this proposal as an amendment to the existing exploration notice for the ML-849 & ML-851 Project under Division file E/047/045. This latest submission proposes sinking shafts and mining the underground gilsonite vein rather than continued exploration drilling. This proposal should have been categorized as a revision or amendment to the existing large mine operation notice of intention. The effect of this error has not delayed our review of the last submission, since we were waiting for confirmation from SITLA before proceeding. This error has caused a delay in our informing you of the need to resubmit this proposal as an amendment to the large mine notice using form MR-REV Notice of Intention to Revise Mining Operations.

Your latest submission does contain a portion of the information required for a large mine notice modification and we would suggest you simply reformat this information according to our form. Enclosed for your use is a copy of the MR-REV form. Please resubmit your proposal by completing the MR-REV form or using this form as a formatting guideline. Please provide a response under each heading of the form even if the response is merely explaining why the requested information is not applicable to your proposal. We appreciate your cooperation and understanding and we apologize for this oversight. Please

Page 2  
Neldon Kunz  
M/047/010  
April 6, 2000

contact me or Tony Gallegos at (801) 5380-5286 or 538-05267 respectively, if this resubmission will create any scheduling inconvenience so we may try and arrange our permitting priorities accordingly. Again, thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is written in a cursive style with a large, stylized "D" and "H".

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Enclosure: MR-REV form  
cc: Will Stokes, SITLA  
Tony Gallegos, DOGM  
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